

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

STARRED QUESTION NO:154
ANSWERED ON:23.03.2012
INTEREST FREE REVOLVING FUND QUESTION
Meena Shri Raghuvir Singh;Meghwal Shri Bharat Ram

Will the Minister of FINANCE be pleased to state:

- (a) whether the Government is implementing any short-term crop loan assistance;
- (b) if so, the details thereof;
- (c) whether any additional interest subvention is also being extended to the farmers who repay their loan in time;
- (d) if so, the details thereof;
- (e) whether the Government has any proposal to allow seventy-five per cent of the total interest subvention to the co-operative banks to be kept with them as interest free revolving fund; and
- (f) if so, the details thereof and if not, the reasons therefor?

Answer

THE MINISTER OF FINANCE (SHRI PRANAB MUKHERJEE)

(a) to (f): A Statement is laid on the Table of the House.

Statement referred to in reply to parts (a) to (f) of Lok Sabha Starred Question No.154 to be answered on 23rd March, 2012 regarding Interest Free Revolving Fund tabled by Shri Bharat Ram Meghwal and Shri Raghuvir Singh Meena.

(a) to (f) : The Interest Subvention Scheme is being implemented by the Government of India since 2006-07 to make short-term crop loans upto Rs. 3 lakh for a period of one year available to farmers at the interest rate of 7 percent per annum. The Government of India has since 2009-10 been providing additional interest subvention to prompt payees farmers, i.e., those who repay their loan in time. The additional subvention was 1% in 2009-10 and 2% in 2010-11. This has been increased to 3% in 2011-12.

The Government has no proposal to allow part of interest subvention provided to the Cooperative banks to be kept as interest free revolving fund.